



REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
JACKSONVILLE DISTRICT CORPS OF ENGINEERS
P.O. BOX 4970
JACKSONVILLE, FLORIDA 32232-0019

MAR 04 2008

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Antilles Regulatory Section
SAJ-1996-4379 (IP-CGR)

Mr. Julio R. Arrojo
Prime Developers, S.E.
G.P.O. Box 71385
San Juan, Puerto Rico 00936-8485

NOTICE OF PERMIT SUSPENSION

Dear Mr. Arrojo:

This letter is to notify you that the U.S. Army Corps of Engineers (Corps) is suspending Department of the Army (DA) permit No. SAJ-1996-4379 (IP-CGR), which authorized the creation of a sandy beach by extending an existing rock jetty from 36.25 meters long to a total of 118 meters long, and 7 meters wide, constructing a new rock jetty of 75 meters long by 7 meters wide, and dredging up to 0.65 acres of sea bottom and backfilling the area with sand. Approximately 80 square meters of seagrasses were authorized to be removed and transplanted from the dredge area to a mitigation site. The project is located at the Atlantic Ocean, near the Embassy Suites Hotel Dorado del Mar Beach, Higuillar Ward, Dorado, Puerto Rico.

Background

The referenced DA permit was issued to you on May 8, 2000. The permit contained general and special conditions which identified actions to be fully executed by the permittee.

On December 11, 2000, the Corps issued a Notice of Non-Compliance for your failure to construct the rock jetties in accordance with the terms and conditions of the permit. On March 21, 2001, the Corps issued a Class I Administrative Penalty in the amount of \$12,500.00 to resolve these issues.

On February 13, 2002, the Corps issued a second Notice of Non-Compliance and Cease and Desist Order for your failure to construct the rock jetties in accordance to the authorized footprint, failure to submit compliance documents and failure to remove fill material utilized to construct a temporary road.

The Corps received several letters, dating back to June of 2002, reporting erosion conditions adjacent to the permitted site since project construction, which you and/or your agents have acknowledged. During the period between March and July 2003, a portion of fill material at both ends of the east breakwater was removed and rocks were placed in front of Ocean Villas in an attempt to rectify the situation. These measures were unsuccessful.

Reasons for Suspension of the Permit

1. You have failed to achieve the purpose of the project and in addition, the project has caused severe erosion along the shoreline from Ocean Villas, including a portion of Costa Dorada II, to Costa Dorada I. Our decision to provide you the permit was predicated upon your assurances that the proposed project would not adversely impact the public interest.

2. In exceeding the dimensions of breakwaters, you failed to remain within the scope of the authorized project footprint which has resulted in approximately 66 square meters of impact to seagrass.

3. You failed to meet your mitigation requirements. The seagrasses at the mitigation site were impacted due to your construction activities. The mitigation area required by the permit was to encompass at least 160 square meters of seagrass. Based on information you have provided, the mitigation area has a survival rate of less than 1%.

4. The corrective measures implemented at the project site to stabilize the beach area located south of the east breakwater were unsuccessful.

After review of two prior attempts at stabilization and more specifically, a recent analysis submitted by your consultant to once again address these issues, the Corps lacks confidence that the newly proposed measures will satisfactorily assure curtailment or reverse the erosion issues on adjacent properties.

Suspension Guidance

Accordingly, DA permit SAJ-1996-4379(IP-CGR) is now suspended. Except as authorized by the Corps for remediation, you are prohibited from performing any regulated work in any areas in front of the Embassy Suites Hotel Dorado del Mar Beach & Golf Resort, Ocean Villas and Costa Dorada site that are considered waters of the United States.

Following this suspension, the Corps will decide whether to reinstate, modify, or revoke the permit. Within ten (10) days after receiving this notice of suspension, you may request a meeting with the District Commander or request a public hearing to present information regarding this matter. If you request a hearing, we will follow the procedures prescribed in 33 CFR Part 327. After completion of the meeting or hearing (or in a timely manner, if you chose neither) we will take action to reinstate, modify, or revoke the permit. If a permit is revoked, you will be required to restore the area to its original conditions and provide mitigation for impacted resources.

Compliance with this suspension order will not foreclose the Federal Government's option to initiate appropriate legal action or to later require the submission of a permit application or other remedial actions.

If you have questions regarding this notice, please contact Mr. Sindulfo Castillo at the letterhead address or by telephone at 787-729-6905/6944, extension 3054.

Sincerely,



Paul L. Grosskruger
Colonel, U.S. Army
District Commander